



***Appendix G***

***Process For***  
***Protection of Proposal Information***

***For***

***2016 Request For Proposals***  
***For***  
***Long-Term Renewable***  
***Generation Resources***

Entergy Arkansas, Inc.  
May 26, 2016

The statements contained in this Appendix are made subject to the Reservation of Rights set forth in Appendix E of the RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

## APPENDIX G

### PROCESS FOR PROTECTION OF PROPOSAL INFORMATION

This Appendix G describes the process EAI and ESI will follow to ensure that information provided by Bidders in this RFP is kept confidential and not improperly disclosed to or used by any employee, consultant, or other representative of EAI, ESI or any other Affiliate of EAI and/ or ESI. Additionally, this Appendix G outlines ESI's process for evaluating proposals submitted in response to this RFP in a manner that affords objective and impartial treatment to all Bidders, and complies with all applicable legal and regulatory requirements, including applicable Affiliate Rules.<sup>1</sup>

#### 1. Overview

This Appendix G details various mechanisms EAI and ESI have developed and installed to protect the confidentiality of Bidder's information in the RFP process and to achieve the additional objectives identified in the opening paragraph above. These mechanisms include:

- (1) Use of an Independent Monitor (IM);
- (2) Reliance upon the EAI Resource Planning Team;
- (3) Reliance upon ESI Technical Management;
- (4) Reliance upon the RFP Administration Team and an RFP Administrator;
- (5) Adherence to protocols for Receipt of Bidder Registration Information;
- (6) Adherence to procedures for Receipt of Proposal Information and Protection of Confidentiality;
- (7) Adherence to protocols for Protection of Market-Sensitive Proposal Information; and
- (8) Compliance with applicable Affiliate Rules.

**1.1. Use of an Independent Monitor.** EAI has retained the IM in order to (i) oversee the design and implementation of this RFP's solicitation, evaluation, selection, and contract negotiation process to ensure that the process is impartial and objective, (ii) help ensure that all proposals are treated in a consistent fashion and without undue preference given to any Bidder, and (iii) otherwise assist EAI in its efforts to ensure that this RFP is conducted in a fair and impartial manner. The IM's role is described in the Scope of Work that is posted on the 2016 EAI RFP Website.

During each of the following phases in the RFP process, the IM will perform specific roles as generally described below:

**1.2. RFP Process Design and Implementation.** The RFP process has been developed with the advice and oversight of the IM in an attempt to ensure that the RFP process is designed and implemented in a fair and impartial manner and is consistent with principles associated with a market-based procurement process.

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<sup>1</sup> As specified in Section 1.8 of the Main Body, Entergy Competitive Affiliates are ineligible to participate in this RFP. Safeguards to ensure that confidential RFP information is not shared with Entergy Competitive Affiliates are discussed later in this Appendix G.

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**1.3. Proposal Review.** All proposals submitted by Bidders will be reviewed and screened by the IM, along with the EAI Resource Planning Team, the RFP Administration Team, and ESI Technical Management, before being distributed to the Evaluation Teams. For each proposal, the IM will work with members of the RFP Administration Team to redact Bidder's name prior to the proposal's distribution to the Economic Evaluation Team and the total "all-in" energy price, and in the case of a biomass proposal including a capacity payment, any proposed capacity price, prior to the proposal's distribution to the Viability Assessment Team (VAT), the AURORA Modeling Team (AMT), and the Delivery Assessment Team (DAT). The redaction process is designed to protect Bidder confidentiality and to ensure that the evaluation of all proposals by the Evaluation Teams is impartial and that information that is or may be needed for review of the proposals is provided to the Evaluation Teams without the disclosure of proposal information to persons who do not need such information to perform their evaluation obligations. While no process can ensure that a Bidder's identity remains completely anonymous, the review and redaction process was developed to provide the maximum reasonably practicable level of assurance of anonymity in order to maintain a fair and consistent evaluation process.

**1.4. Proposal Submission Process.** The IM, together with the RFP Administrator, will oversee receipt of all proposals during the Proposal Submission Period. Authorized members of the EAI Resource Planning Team, the RFP Administration Team, ESI Technical Management, and the Evaluation Teams (as needed) will review information submitted by Bidders to determine whether the proposals meet the Threshold Requirements specified in Section 2.3 of the Main Body and whether additional information is needed or appropriate.

**1.5. Proposal Evaluation and Selection Process.** The IM will monitor the proposal evaluation and selection processes to ensure that the RFP process is objective and impartial, all proposals are treated in a consistent fashion, and no undue preference is provided to any Bidder. In addition, the IM will review the measures taken to restrict access to proposal information to only those members of the Evaluation Teams who need such information for evaluation purposes.

**1.6. Oversight of Communications with Bidder.** Prior to the creation of the Primary Selection List and/or the Secondary Selection List, the IM will obtain and review in advance copies of all written communications from the RFP Administrator to Bidders. To the extent any Bidder is contacted pursuant to Section 4.2 of this Appendix G, the RFP Administrator will consult with the IM before initiating contact to minimize the dissemination of information that explicitly identifies Bidders to the Economic Evaluation Team.

**1.7. Contract Negotiation and Due Diligence Phase.** After a Bidder has been notified of the inclusion of a proposal submitted on the Primary Selection List or the Secondary Selection List, the IM will monitor the status of developments relating to such proposals, including the status of negotiations of an LOI and/or a Definitive Agreement with such Bidder.

## **2. Role of EAI Resource Planning Team**

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For this RFP, EAI has established a EAI Resource Planning Team, which consists of members of EAI's Resource Planning and Operations group. None of the members of the EAI Resource Planning Team are members of any Evaluation Team. The role of the EAI Resource Planning Team includes, but is not limited to, the following responsibilities:

**2.1. Responses to Bidder Questions.** The EAI Resource Planning Team will ensure that Bidder questions received by the RFP Administrator concerning this RFP are addressed and questions and answers posted on the 2016 EAI Renewables RFP Website, subject to Section 6.1 of the Main Body.

**2.2. Distribution of Proposal Information.** The EAI Resource Planning Team will ensure that proposal information is distributed to appropriate members of the Evaluation Teams after review and approval by the IM.

**2.3. Assistance to the IM.** The EAI Resource Planning Team will work with the IM on all questions associated with a specific proposal and will assist the IM in an administrative capacity in support of the IM's efforts to ensure compliance with the processes and procedures contemplated by this RFP.

### **3. Role of ESI Technical Management**

EAI has engaged ESI Technical Management to provide technical oversight and support to EAI in the RFP process. ESI Technical Management includes designated members of ESI management who have responsibility within ESI for subject matter areas covered by or relevant to this RFP. None of ESI Technical Management is a member of any Evaluation Team. The role of ESI Technical management includes, but is not limited to, the following responsibilities:

**3.1. RFP Design and Administration.** ESI Technical Management will ensure that the protections for proposal information in this RFP are designed and administered in a manner consistent with EAI's guidance and direction for this RFP.

**3.2 Distribution of Proposal Information.** ESI Technical Management will support the EAI Resource Planning Team in assuring that the Evaluation Teams are provided proposal information necessary for their respective analyses.

### **4. Role of the Administration Team/RFP Administrator**

EAI has established an RFP Administration Team and designated an individual from that team to serve as the "RFP Administrator." No member of the RFP Administration Team is a member of an Evaluation Team. The RFP Administrator, with support from other members of the RFP

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Administration Team, will serve in a multi-purpose role that includes responsibility for a variety of administrative matters related to the RFP, such as, for purposes of illustration only, the following:

**4.1. Responsibility as Liaison.** The RFP Administrator will serve as a liaison between all Bidders or potential Bidders and EAI regarding RFP-related matters.

**4.2. Processing of Questions.** In the event that EAI needs to contact a Bidder to clarify its proposal(s), to request additional information, or for other purposes contemplated by this RFP, the RFP Administrator will perform those functions and communicate directly with Bidders. Bidders will be required to submit any written response to such communications to the RFP Administrator, in accordance with Sections 1.6 and 6.1 of the Main Body, before transmitting the information to the appropriate Evaluation Team.

**4.3. Responsibility for RFP Files.** The RFP Administrator will ensure that all RFP-related files and information are properly organized, stored, and secured so as to protect adequately the confidentiality of information in accordance with the processes and procedures described herein.

#### **5. Protocols for Receipt of Bidder Registration Information**

Bidders will register for this RFP in accordance with the instructions provided in Section 4.2 of the Main Body. Information submitted to EAI through the Bidder Registration Process will be submitted to the RFP Administrator. Only the IM, the RFP Administration Team, the EAI Resource Planning Team and ESI Technical Management will have access to and may review the information received from Bidders in the Bidder Registration Process.

#### **6. Procedures for Receipt of Proposal Information and Protection of Confidentiality**

Bidders will be required to submit proposals responsive to this RFP in accordance with the instructions provided in Section 4.3 of the Main Body. A key process objective of the RFP process is to ensure that information provided by Bidders in response to this RFP is kept confidential. EAI has designed procedures, described in the Main Body, that its employees, agents, and consultants must follow in the proposal review and the proposal evaluation processes of this RFP. These procedures are designed to preserve, to the extent practicable, the confidentiality of any confidential information contained in Bidders' proposals. Procedural protections include requiring the submission, via electronic mail or courier, of Bidder's Proposal Packages to the RFP Administrator and the redaction of certain information in the Bidder Proposal Packages so that members of the different Evaluation Teams receive the information needed to carry out their respective evaluations. These procedures are intended to provide reasonable assurance to Bidders that, except as noted below with respect to legal or regulatory requirements, information contained in their proposals will be disclosed (i) only to the appropriate members of the Evaluation Teams, and (ii) only to select agents and consultants utilized by ESI/the Evaluation Teams, and only to the extent necessary for such agents and consultants to perform their respective functions in connection with this RFP.

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**6.1. Basic Preliminary Protective Measures.** Immediately after the end of the Proposal Submission Period, each Proposal Package will be reviewed by the IM, along with members of the EAI Resource Planning Team, ESI Technical Management, and the RFP Administration Team. The IM and members of the RFP Administration Team will redact certain information from the Proposal Package before any information from the Proposal Package is given to any member of any Evaluation Team. The IM and the RFP Administration Team will endeavor to ensure that Bidder's name is redacted in the version of the proposal provided to the EET and the total "all-in" energy price (or for proposals for biomass resources including a capacity payment, the capacity and energy pricing) is redacted in the version of the proposal distributed to the VAT, the AMT and the DAT.

#### Preliminary Executive Report

After completion of each of the Bidder Registration Process and the Proposal Submission Process, the RFP Administrator may prepare, with oversight from the IM, an Executive Report (each a "**Preliminary Executive Report**") which will communicate the following: (1) the total number of Bidders submitting proposals in this RFP; (2) the total number of resources for which proposals have been submitted in this RFP; (3) the total number of proposals and the total amount of Capacity offered in this RFP; (4) the total number of technologies for which proposals were submitted in this RFP, the total number of proposals submitted for each technology and resource, and the total amount of Capacity offered for each technology and resource; and (5) any additional information that the recipients of the Executive Report may request and that the EAI Resource Planning Team, ESI Technical Management, the RFP Administration Team, and the IM concur is appropriate to provide. Preliminary Executive Reports will be communicated only to the EAI Resource Planning and Operations Committee, the President and Chief Executive Officer of EAI, and, as needed and with the IM's concurrence, senior executives of Entergy Corporation or any direct or indirect subsidiary thereof ("**Authorized Executive Report Recipients**").

#### Supplemental Executive Reports

After reviewing proposals for compliance with the Threshold Requirements or in connection with a decision to eliminate a proposal from this RFP, the RFP Administrator may prepare, with oversight from the IM, an Executive Report (each a "**Supplemental Executive Report**") that will communicate the following with respect to the proposals remaining in this RFP or the proposal(s) that have been or may be eliminated: (1) Proposal IDs; (2) capacity amount; (3) resource location; (4) if applicable, the generic basis for elimination of the proposal(s); and (5) any additional information that the recipients of the Supplemental Executive Report may request and that the EAI Resource Planning Team, ESI Technical Management, the RFP Administration Team and the IM concur is appropriate to provide. Any Supplemental Executive Report will be communicated only to Authorized Executive Report Recipients.

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**6.2. Evaluation Team Reports.** The Evaluation Teams will prepare reports informed by results of their analysis of the proposals. The Evaluation Team reports will be reviewed by the IM, the EAI Resource Planning Team, ESI Technical Management, and the RFP Administration Team. If and after a proposal has been selected for the Primary Selection List or the Secondary Selection List, all information relating to such proposal may be made available to the team or individuals tasked with negotiating the Definitive Agreement, to appropriate executives and other decision-makers at EAI and ESI, in accordance with applicable corporate governance processes, and, with the IM's concurrence, to the Economic Evaluation Team. EAI reserves the right to disclose proposal information, with the IM's concurrence, to additional EAI or ESI personnel as necessary to address unforeseen circumstances that may materialize and materially affect the evaluation or handling of one or more of the proposals received in this RFP. Without limiting Section 6.4 below, all EAI and ESI personnel and other agents and consultants having access to confidential information in this RFP will be contractually and/or professionally bound to protect the confidentiality of confidential Bidder information and to use it for no purpose other than activities related to the RFP process and resource evaluation processes. Notwithstanding the foregoing, and without limiting Appendix E, EAI and ESI expressly disclaim and have no liability to any Bidder for damages of any kind resulting from any disclosure of any Bidder or proposal information.

**6.3. Post-RFP Treatment of Proposals and Related Information.** Proposals and any correspondence or other material (including electronic material) provided to EAI and/or ESI in connection with this RFP will not be returned to Bidders. At the conclusion of the RFP process (including regulatory review of any transaction entered into as a result of this RFP), all proposals will be either destroyed or archived by EAI and ESI in accordance with internal policies governing the storage and retention of records and subject to the procedures described in this section providing for the treatment of such proposals as confidential and subject to any applicable Affiliate Rules.

**6.4. Certain Permitted Disclosures of Proposal Information.** All information contained in a proposal or otherwise provided by Bidder to EAI and/or ESI in connection with this RFP may be: (i) required to be disclosed by EAI or ESI pursuant to any applicable law, rule, or regulation or in any proceeding or review, audit, or investigation involving EAI or ESI and (ii) subject to review by one or more of the regulatory bodies, including their staffs, having jurisdiction over EAI or ESI in connection with any proceeding, audit, inquiry, or investigation involving EAI or ESI, or by any other Governmental Authority with jurisdiction over EAI or ESI over any matter related to or affected by, directly or indirectly, this RFP, and may be subject to legal discovery or disclosure. By submitting a proposal in this RFP, and subject to any less restrictive terms included in any confidentiality agreement entered into by EAI or ESI and Bidder (or party on whose behalf Bidder submitted its proposal), Bidder agrees to (a) allow EAI and ESI to use any of the information contained in any of its proposals or otherwise submitted to EAI and/or ESI in connection with this RFP in filings, pleadings, responses to information requests, testimony, or evidence in any proceeding before or review, audit, or investigation involving any such regulatory body or other Governmental Authority and, without limiting the generality of the foregoing, (b) disclose any of such information when required to do so as described above. In the event such information is to be

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so disclosed, EAI or ESI, as applicable, will use good faith efforts to attempt to obtain from such Governmental Authority (or other Person to whom such disclosure is being made), prior to the disclosure of such information, a confidentiality agreement or protective order or other mechanism to protect the confidentiality of such information and limit its dissemination. EAI and ESI can provide and makes no assurance of the outcome of any such attempt. EAI and ESI advise Bidders that intervenors have sought access to confidential Bidder information about potential resource acquisitions in prior regulatory proceedings relating to previous ESI requests for proposals or in which EAI has been involved, and similar requests for access could be made in proceedings relating to this RFP.

#### **7. Protocols for Protection of Market-Sensitive Proposal Information**

EAI and ESI have implemented specific protocols for the protection of proposal information to limit access to specific market-sensitive proposal information provided by Bidders in this RFP, including the protocols listed below:

- (i) No proposal information shall ever be disclosed to any Entergy Competitive Affiliate, except to the extent that such information is made public.
- (ii) Subject to Section 6.1 above, prior to the selection of proposals to the Primary Selection List and the Secondary Selection List, no proposal information shall be provided to any person within EAI or ESI who is not a member of the EAI Resource Planning Team, an RFP Evaluation Team, the RFP Administration Team, or ESI Technical Management, other than the information that may be provided to counsel for confidential legal analysis involving such information and to senior advisors and decision-makers at EAI and ESI as provided for in Section 6.2 above.
- (iii) No proposal information shall be provided to any member of an Evaluation Team prior to the Proposal Submission Deadline or before review and approval by the EAI Resource Planning Team and the IM.
- (iv) All files created in connection with the RFP process shall be available only to approved personnel. Approved personnel will include only the IM, members of the EAI Resource Planning Team, the RFP Administration Team, ESI Technical Management, and those of the Evaluation Teams with designated access to the subject information.
- (v) The EAI Resource Planning Team, ESI Technical Management, and the RFP Administrator are responsible for communicating to the members of the Evaluation Teams the importance of compliance with these protocols, both at the outset of the RFP process and on a continuing basis.

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- (vi) EAI and ESI personnel involved with the RFP process shall sign a confidentiality acknowledgement that governs access to and uses of information contained in proposals and proposal documents or shall be professionally bound to protect the confidentiality of confidential Bidder information and to use it for no purpose other than activities related to the RFP process and resource evaluation processes.

For the avoidance of doubt, the foregoing protocols will be subject to Section 6.4 above.

**8. Affiliate Rules**

All employees of EAI, ESI, or any Entergy Competitive Affiliate must adhere to the following Affiliate Rules, as applicable:

- i. FERC Transmission Standards of Conduct, codified at 18 CFR § 358;
- ii. FERC Market-Based Rate Affiliate Restrictions, codified at 18 CFR § 35.39;
- iii. FERC Cross-Subsidization Restrictions on Affiliate Transactions, codified at 18 CFR §§ 35.43-44;
- iv. Arkansas Affiliate Transaction Rules, as applicable;
- v. Texas Affiliate Transaction Rules, as applicable;
- vi. Council for the City of New Orleans Code of Conduct for Entergy New Orleans, Inc.;
- vii. October 1992 Settlement Agreement between Entergy and the Arkansas Public Service Commission;
- viii. Appendix 3 to the Louisiana Public Service Commission's May 3, 1993, Order No. U-19904;
- ix. March 26, 1998, Settlement Agreement between Entergy and the Council for the City of New Orleans;
- x. April 10, 1998, Settlement Agreement between Entergy and the Mississippi Public Service Commission;
- xi. October 19, 2000, Gas Settlement Agreement between the Council for the City of New Orleans and Entergy New Orleans, Inc.; and
- xii. Entergy Corporation Standards of Conduct regarding the relationship between Entergy Corporation's regulated and unregulated subsidiaries.

A link to these Affiliate Rules is posted on the 2016 EAI RFP Website.

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